By Patrick Piet\*

In the Winter 1983-84 issue of the Statistics of Income Bulletin, it was reported that, for the first time, partnerships in the United States reported an overall net loss for Tax Year 1981 [1]. Information now available reveals that partnerships reported an even greater overall net loss for 1982. The statistics indicate tax shelter activity as the main reason for this loss.

#### BACKGROUND

A partnership is "an association of two or more persons to carry on as co-owners of a business for profit" [2]. Partnerships are not taxed directly on their income. Rather, all income (or loss), credits, and other tax-related items "flow through" to the partners, who report their shares on their own returns. Partners may be individuals, corporations, estates, trusts, or other partnerships.

Partnerships included in this study ranged from small, two-owner businesses (mainly found in wholesale and retail trade and personal service industries), to ventures involving thousands of partners, most of whom are passive investors not involved in the daily operations of the business. These large partnerships are most frequently found in the oil and gas extraction, finance, and real estate industries. Partnerships with large numbers of partners are also present in professional service industries, such as those for physicians, legal services, and certified public accountants. In contrast to the large ventures in the oil and gas extraction, finance, and real estate industries, however, the partners in professional service industries typically are active participants.

#### DATA HIGHLIGHTS

The number of returns filed by active partnerships rose from 1,460,502 for Tax Year 1981 to 1,514,212 for Tax Year 1982, an increase of 3.7 percent. This increase is somewhat less than the 5.9-percent increase reported between 1980 and 1981. As shown in Figure A, the greatest increase in number of returns occurred in the area of finance, insurance, and real estate. Within this area, the industry with the largest increase in number of returns was operators and lessors of buildings, which increased by more than 34,000 returns (7.9 percent). Among the service industries, the largest increase occurred in equipment rental and leasing, which rose by more than 5,000 returns (19.2 percent). In mining, the largest growth was in oil and gas extraction, which increased by 3,700 returns (7.9 percent). Not surprisingly, these are all industries in which tax shelters are particularly active, as will be seen later. In contrast, the construction, manufacturing, and transportation and public utility industries all showed decreases in the number of returns.

As noted earlier, overall losses for partner-ships increased from \$2.7 billion for 1981 to \$7.3 billion for 1982. In contrast to the situation in 1981, however, when every industry except manufacturing showed a decrease in net income, four of the eight industrial divisions showed increases in net income for 1982, and four recorded decreases. As will be seen later, these figures are closely tied to the use of partnerships as tax shelters.

## EFFECTS OF TAX SHELTERS ON PARTNERSHIP DATA

Information from a variety of sources indicates an increasing public interest in, and use of, partnerships as tax shelters. The relationship between losses of partnerships and tax shelter activity is indicated in Figure B, which presents the loss figures reported on partnership returns for certain industries and investment in publicly-registered limited partnerships [3]. Each of these industries reported an overall net loss. In addition, the two activities with the largest amount of investment, oil and gas extraction and real estate, were also the two industries in the statistics with the largest losses.

Overall, industries identified in Figure B as ones in which tax shelters are particularly active reported an overall net loss of \$21.0 billion. By contrast, all other industries reported a net profit of \$13.7 billion. In wholesale and retail trade, for example, where the nature of the business activity is not

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Figure A.--Number of Partnerships and Net Income Less Loss by Industrial Division, 1981 and 1982

[All figures are estimates based on samples--money amounts are in thousands of dollars]

Industrial division	N	umber of part	nerships	Ne 1	Net income or loss					
	1981	1982		ase or ease	1981	1982	Increase or decrease			
	1901	1902	Number	Percent	1901	1902				
	(1)	(2)	(3)	(4)	(5)	(6)	(7)			
Total	1,460,502	1,514,212	53,711	3.7	-2,734,897	-7,314,587	-4,579,690			
Agriculture, forestry, and fishing	51,368 69,856	132,394 55,766 64,632 23,156 18,185 202,531	7,421 4,398 -5,224 -7,151 -3,526	5.9 8.6 -7.5 -23.6 -16.3	-703,617 -10,109,096 1,209,222 -440,649 -227,832 1,316,933	-703,199 -8,829,824 1,418,607 -819,240 -773,634 1,571,562	418 1,279,272 209,385 -378,591 -545,802 254,629			
Finance, insurance, and real estate	681,638 262,932	717,810 287,529	36,173 24,597	5.3 9.4	-5,360,047 11,618,171	-11,132,658 11,888,674	-5,772,610 270,502			

NOTE: Partnerships with nature of business not allocable are not shown separately. However, their data are included in the appropriate totals.

conducive to tax shelter activity, partnerships reported an overall profit of \$1.5 billion. In the area of service industries, three of the more traditional (as opposed to tax shelter) industries all reported a net profit for 1982. These latter industries are medical and health services (\$3.8 billion), legal services (\$7.3 billion) and certified public accountants (\$1.7 billion). The contrast between these industries and those in Figure B show the difference in profitability between tax shelter and non-tax shelter industries.

Figure B.--Investment in Publicly-Offered Limited Partnerships and Net Income, Selected Industries, 1982

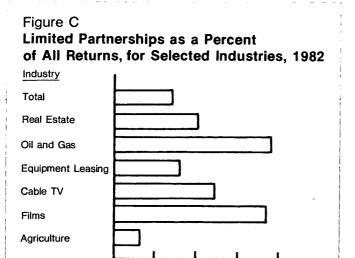
[Amounts are in millions of dollars]

Industry	Investment	Net income less loss
Real estate Oil and gas	2,471	-11,117
extraction	2,399	-7,727
Equipment leasing	241	-691
Cable TV	111	-431
Films	65	-444
Agriculture	46	-601

SOURCES: Investment data appeared in the February 1984 issue of The Stanger Report. Net income data were taken from Table I at the end of this article. The SOI industry communications were used to show net income for cable TV, and farms were used for agriculture.

The relationship between tax shelter activity and partnership losses can also be seen by studying data on limited partnerships. A limited partnership is one in which at least one partner's liability for the debts of the partnership is limited to the amount of his/her investment in the partnership. Many tax shelters are organized as limited partnerships to provide investors with limited liability. As shown in Figure C, limited partnerships accounted for 15 percent of all partnerships. For each of the industries for which tax shelter investment data were available (except agriculture), the percent of limited partnerships exceeded the overall percentage. More than 38 percent of all oil and gas partnerships were limited partnerships. Because of the inherent risk in drilling for oil, it is not surprising that, to attract capital, organizers of these ventures would limit investor liability. On the other hand, the percentages of limited partnerships in real estate (20 percent) and in equipment rental and leasing (16 percent) were much closer to the overall percentage. This may be due to the fact that in these areas, the real estate or equipment is used as collateral, so that investors are better protected against losses than in oil and gas ventures.

Although tax shelters create losses used to reduce taxes paid by investors, it should be noted that tax shelters are not inherently objectionable [4]. Rather, most tax shelters are formed simply to allow investors to use incentives in the tax law that encourage investment. An example of this is the deduction for



"intangible drilling costs" [5]. This deduction provides an incentive for exploration for new sources of oil and gas, thereby reducing dependence on foreign petroleum sources. The enactment of more favorable depreciation rules under the Accelerated Cost Recovery System instituted for depreciable property acquired after December 31, 1980, is another example of incentives, designed to stimulate investment, which have encouraged the growth of partnership tax shelters.

0

10

20

30

Percent

40

Some tax shelter organizers have attempted to take undue advantage of these incentives by engaging in activities of dubious legality, or even of blatant illegality. These "abusive" tax shelters lack a substantial economic basis. Some of these tax shelters generate losses by overvaluing assets (or even creating fictitious assets) on which depreciation is taken, or by reporting fictitious loans for which interest deductions are allocated to partners. The Internal Revenue Service (IRS) is striving to identify and discourage such activities by disallowing partners' tax deductions with no sound economic basis [6].

While the IRS is making efforts to curtail abusive tax shelter partnerships, data on tax shelter investment indicate an overall increase in investment in publicly-offered limited partnerships [7]. In 1981, total investment was \$4.9 billion; in 1982, it rose by 13 percent to \$5.5 billion. The greatest increase in investment was in real estate, which rose from \$1.6 billion in 1981 to \$2.5 billion in 1982, an increase of 55 percent. In oil and gas extraction, investment fell from \$2.9 billion to \$2.4 billion, a decrease of 17 percent. This decrease may be due partly to the drop in crude oil prices, which made oil and gas investment less attractive than other shelters, such as real estate.

Statistics of Income--1982, Partnership Returns, presenting additional data for 1982, as well as data for 1978 through 1981, is currently being prepared. This report will provide additional information on the increase in tax shelter activities in the last 5 years.

#### SUMMARY

Data presented in this article show that the overall loss by partnerships increased from \$2.7 billion for 1981 to \$7.3 billion for 1982. This loss was caused largely by increased tax shelter activity. Two of the most popular tax shelter areas, oil and gas extraction and real estate, had similarly large overall losses. The loss in oil and gas extraction was \$7.7 billion for 1982, down from the \$9.4 billion loss for 1981. In real estate, the loss increased from \$7.9 billion for 1981 to more than \$11 billion for 1982.

### DATA SOURCES AND LIMITATIONS

## Sample Selection

The statistics for Tax Year 1982 were estimated from a stratified probability sample of approximately 35,000 returns selected from a total population of about 1.6 million returns filed during Calendar Year 1983. Every partnership engaging in business or obtaining income from sources within the United States was required to file this return to report the income, deductions, credits, gains, and losses from operating the partnership. Amended and tentative returns were excluded from the sampling procedure, which was implemented after revenue processing, but prior to audit. Sample rates ranged from 0.2 percent to 100 percent.

#### Changes in Processing

With one exception, processing of the partner-ship returns for the 1982 Statistics of Income program was virtually unchanged from the 1981 program. The exception was that, for 1981, counts were made of the number of partners by type of entity reported on the Schedule K-1, Partner's Share of Income, Credits, Deductions, etc. [8]. The sum of the number of partners, by entity, was compared with the number of partners reported on the front page of the Form 1065, and any discrepancies were resolved. For 1982, and for years prior to 1981, the number of partners listed on the front page of Form 1065 by the partnership was accepted as reported.

The procedure used for 1981 was expected to result in more accurate counts. Its use produced unexpected results for common trust funds in the finance, insurance and real estate division, however. The number of partners in the common trust funds industry appeared to increase from 641,212 for 1980 to more than 3.7 million for 1981. Examination of some returns

in the common trust fund industry reveals that partnerships often report a small number of partners on the Form 1065, while the K-1 lists hundreds of persons for which money is being held in trust. Because partners listed on the K-1 in this industry are actually the trust's beneficiaries and thus are usually totally divorced from the partnership's activity, considering them to be partners may be misleading. In this industry, the number of partners on the Form 1065 may be a better indicator of actual partners than the count of the Schedules K-1.

Figure D shows the magnitude of the difference in number of partners between 1981 and 1982 by industrial division after an adjustment to the 1981 figure for finance, insurance, and real estate to compensate for this counting problem in the common trust fund industry.

## Limitations

Because the data presented in this article are estimates based on a sample of returns, they are subject to sampling error. To insure proper use of the estimates, the magnitude of the sampling error should be known.

The following table presents approximate coefficients of variation (CV's) for frequency estimates. The approximate CV's shown here are intended only as a general indication of the reliability of the data and are not applicable to money amounts. For numbers of partnerships

other than those shown, the corresponding CV's can be estimated by interpolation.

Estimated Number of Returns	Approximated Coefficient of Variation
Number of Recurris	COETTICIENT OF VALIACION
2,100	0.50
4,200	0.35
13,000	0.20
23,000	0.15
52,000	0.10
207,000	0.05
1.514.000	0.018

The reliability of estimates based on samples and the use of CV's for evaluating the precision of sample estimates are discussed in the Appendix.

#### NOTES AND REFERENCES

- [1] Piet, Patrick, "Partnership Returns for 1981 Reflect Tax Shelter Activity," Statistics of Income Bulletin, Winter 1983-84, p. 29.
- [2] This definition is found in the Uniform Partnership Act, Part II, Section 6.
- [3] The Stanger Report, 'Record Investment in 1983," Robert A. Stanger & Company, February 1984.
- [4] Merrill, Peter, "Economic Analysis of Tax Shelters," Staff Paper for Joint Committee on Taxation, February 1984.

Figure D.--Number of Partners, by Industrial Division, 1981 and 1982

[All figures are estimates based on samples]

	Number of	partners	Increase or decrease		
Industrial division	1981	1982	Number	Percent	
	(1)	(2)	(3)	(4)	
Total	9,448,361	9,764,667	361,306	3.3	
Agriculture, forestry, and fishing Mining Construction Manufacturing Transportation and public utilities Wholesale and retail trade Finance, insurance, and real estate Services	73,005	448,623 1,574,375 149,600 76,649 92,611 485,413 5,727,193 1,171,642	43,028 99,086 -15,454 -14,231 19,606 -43,070 80,449 146,891	10.6 6.7 -9.4 -15.7 26.9 -8.2 1.4 14.3	

Number of partners for 1981 was adjusted for reporting variations in the common trust fund industry in finance, insurance, and real estate. The number of partners originally reported in the <u>Statistics of Income Bulletin</u>, Winter 1983-84, was 8,456,258. See "Changes in Processing."

NOTE: Partnerships with nature of business not allocable are not shown separately. However, their

data are included in the appropriate totals.

- [5] "Intangible drilling costs" are certain costs of developing a drilling site, such as labor, materials and supplies, fuel, repairs, and transportation, which may be deducted in the year incurred rather than capitalized and written off over the life of the well. Most of these costs are incurred before the actual drilling for oil.
- [6] This paragraph summarizes remarks made by Internal Revenue Commissioner Roscoe L. Egger, Jr. to the American Institute of
- Certified Public Accountants, 94th Annual Meeting, October 4, 1983. The text of the remarks is contained in the IRS Press Release IR-83-I24.
- [7] The Stanger Report, p. 8.
- [8] Partnerships are required to file a Schedule K-1 for each partner to report the share of income, deductions, credits, etc., allocated to that partner.

# Table 1. — Total Assets and Income Statement for Selected Industries

[All figures are estimates based on samples-money amounts are in thousands of dollars]

	-		-		Agricultu	re, forestry, and Far				
Item	All industries	Total	Total	Field crop	Vegetable and melon	Fruit and tree nut	Beef cattle feedlots	Beef cattle except feedlots	Hogs, sheep, and goats	Dairy tarms
	(1)	(2)	(3)	(4)	(5)	. (6)	(7)	(8)	(9)	(10)
Partnerships With and Without Net Income				40 700	0.000	40.404	4 242	10.052	3,881	16,517
Number of partnerships	1,514,212 9,764,667	132,394 448,623	111,785 376,580	46,798 148,182	2,609 8,247	10,161 62,779	1,343 8,508	19,053 54,936	13,884	40,729
Total assets	845,281,449 296,690,303	24,763,189 7,682,713	21,489,833 5,078,493	8,830,552 1,762,885	489,546 179,550	3,530,037 554,509	510,172 397,838	3,905,304 686,395	328,430 215,030	2,007,637 500,105
Business receipts	251,608,987	4,995,069	2,501,808	598,492	65,616	283,043	296,960	376,353	164,033	151,557
Income from other partnerships and fiduciaries	1,976,512	24,387	22,850	5,251 116,361	1,535 6,480	10,028 59,777	778 4,890	3,832 57,288	91 2,343	116 14,512
Nonqualifying interest and dividends	15,259,801 14,715,048	308,225 183,247	278,167 178,892	110,690	3,460	10,775	4,752	35,387	1,771	4,690
Royalties	1,217,811 1,746,014	73,037 1,679,353	71,090 1,651,541	29,656 801,525	1,016 50,938	1,244 160,949	116 71,066	30,853 137,190	531 43,662	6,456 294,630
Net gain, noncapital assets	1,284,962	263,018	244,675	72,290	49,094	19,593	16,793	34,579	1,661 937	23,59€
Other receipts	8,881,168 <b>304,004,833</b>	156,377 <b>8,385,913</b>	129,469 5,679,693	28,620 1,7 <b>54,949</b>	1,412 <b>263,494</b>	9,100 <b>691,486</b>	2,482 <b>372,8</b> 51	10,912 <b>1,012,310</b>	220,273	4,547 <b>425,84</b> 0
Total deductions	144,595,111	2.907.723	1,622,115	321,268	42,006	136,271	246,365	288,016	126,073	102,344
Inventory, beginning of year	25,307,927	300,514	194,468	45,143	324	31,916 70,792	31,086	61,738 268,296	595 55,070	14,152 102,865
Purchases	96,111,197 7,183,865	2,043,781 160,367	1,199,934 65,412	226,908 21,704	31,971 2,103	22,620	223,137 891	2,936	366	797
Materials and supplies Other costs	6,549,014 32,147,879	117,852 729,037	82,139 399,573	20,085 168,428	5,055 3,443	8,120 35,698	4,757 11,731	5,976 11,872	9 74,461	386 1,585
Less: inventory, end of year	22,704,771	443,827	319,410	160,999	890	32,874	25,236	62,801	4,428	17,441
Salaries and wages	23,204,883 15,583	320,956 300	124,972 291	45,891 163	3,774	15,587	7,046	13,565 112	1,738	11,844
Less: jobs credit	5,350,678	281,789	219,787	94,277	6,222	23,917	4,026	22,803	1,708	55,387
Rent paid	5,693,874 21,517,044	99,395 407,630	66,305 244,483	8,942 92,911	36,735 2,043	2,368 53,088	678 9,199	2,924 36,077	1,505 4,694	7,786 6,490
Taxes paid	5,288,971	64,499	37,673	14,407	382	6,502	709	3,260	537 70	1,609 375
Bad debts	556,090 1,950,053	8,859 144,261	5,204 60,025	2,946 32,208	1,429	530 4,710	1,715	615 6,725	3,070	3,237
Depreciation <sup>1</sup>	465,882	3,150	517	163		14		321		16
Depletion Pension, profit sharing, annuity, and bond		·			20		47			246
purchase plans	413,489 602,220	1,419 2,012	1,225 931	370 320	23 6	88 —	17 162	392 78	16	35
Net loss from other partnerships and fiduciaries.	8,767,376	112,239 20,905	109,467 17,863	19,993 4,971	1,380 2,448	16,100 2,572	13,975	54,383 6,662	179 78	593 502
Rent net loss	14,761,087 201,705	10,546	10,546	3,813	· -	_		846	-	_
Farm net loss	2,515,960 438,252	2,355,820 40,252	2,243,104 38,170	840,221 12,076	66,744 69	311,584 6,416	60,539 62	482,261 1,990	48,142 1,489	183,437 14,560
Other deductions	53,986,241	1,254,669	693,355	190,776	98,017	80,479	21,957	69,024	24,424	26,257
Net income (less deficit)	- 7,314,587	- 703,199	- 601,199	7,937	- 83,944	- 136,976	24,987	- 325,915	- 5,244	74,265
Net income	53,556,856 60,871,442	2,444,056 3,147,255	2,138,328 2,739,526	1,005,616 997,679		241,825 378,801	94,430 69,443	211,282 537,197	46,253 51,496	
Capital gains and losses		2,111,22	_,,,,	,	,			,	.	
Net short-term capital gain (less loss)	1,249,482 7,060,222	8,144 237,561	6,957 227,022	493 83,730	247 1,966	522 6,366	604 29,266	4,106 70,147	15 12,381	550 15,465
Partnerships With Net Income				·	-					
Number of partnerships	791,117 4,864,897	67,928 200,943	57,526 173,084	27,078 84,240	1,096 2,628	4,430 20,167	504 1,532	7,750 20,454	1,705 6,507	10,670 26,737
Total assets	322,276,194	8,829,722	8,015,284	3,649,207	213,789	1,125,337	322,996	1,249,651	44,307	909,720
Total receipts	213,032,807	5,562,730 3,258,433	<b>3,840,312</b> 1,604,309	<b>1,380,547</b> 312,437	<b>162,396</b> 54,517	<b>436,131</b> 208,582	<b>319,372</b> 229,381	<b>495,435</b> 256,660	1 <b>81,365</b> 136,523	<b>361,85</b> 6 51,104
Business receipts	178,563,897 1,819,607	15,837	15,139	4,063	1,531	6,889	752	1,866	12	20
Nonqualifying interest and dividends	10,904,519 11,814,066	207,025 125,280	193,427 123,887	81,388 92,758	4,327 2,380	47,169 5,962	3,862 175	37,891 19,177	584 237	9,110 813
Royalties	999,229	60,640	60,372	27,472	1,016	214	112	27,244	43,662	3,787
Farm net profit	1,696,408 811,776	1,638,720 170,404	1,611,843 160,807	790,454 55,377	49,865 48,626	156,445 7,979	70,889 11,852	132,601 14,794	236	278,496 14,552
Other receipts	6,423,306	86,391	70,529	16,598	135	2,891	2,348	5,202	111	3,973
Total deductions	159,475,946	3,118,676	1,701,986	374,931	53,433	194,308	224,942	284,153	135,112	81,927
Cost of sales and operations	92,064,279 11,325,387	1,911,374 146,722	1,044,594 99,272	177,394 13,488	31,834 324	89,417 12,007	181,906 28,477	173,171 34,477	111,459 106	21,014 5,839
Purchases	61,683,925	1,365,002	727,966 38,034	114,212	31,971	48,686 14,249	159,769 840	150,728 1,029	39,862 366	21,718 797
Cost of labor	4,486,198 4,154,932	95,734 65,914	52,657	8,997	=1	4,822	592	5,659	9	91
Other costsLess: inventory, end of year	19,823,022 9,409,184	379,071 141,067	206,258 79,593	43,953 12,629	- 461	20,767 11,114	11,469 19,241	5,093 23,814	71,442 325	1,585 9,015
Salaries and wages	18,113,674	157,478	50,169	16,505	1,729	6,958	6,785	9,856	768	2,015
Less: jobs credit	12,707 3,090,314	276 124,071	267 95,935	155 48,073		10,092	3,524	112 7,148	313	19.720
Guaranteed payments to partners	3,829,569	35,703	17,212	2,915	3,150	583	477	1,221	1,505	6,434
Interest paid	6,807,630 3,384,325	88,519 30,935	61,120 16,068	17,018 6,119		16,706 2,756		7,837 1,520	2,098 264	4,482 249
Bad debts	238,056	3,475	369	140	3	96	17	13	2.469	1 010
Repairs Depreciation <sup>1</sup>	1,106,387	69,681	25,030	8,255	1,429	3,344	1,547	2,965	2,469	1,910
Depletion	279,605	147	84	1	-		_	64	-	10
purchase plans	353,039	370	192	89		_				
Employee benefit plans	408,758 290,497	1,167 8,938	398 6,417	69 3,184	593	688		1,743	16	3:
Rent net loss	276,780 1,212	5,932	3,275	498		26		2,057	. =	37€
Royalty net loss	87,580	61,806	58,924	18,666		3,820		24,778		3,752
Net loss, noncapital assets	45,921 24,172,659	5,233 496,118	4,816 254,425	1,207 57,576	65 8,335	193 47,951	27 18,249	209 43,291	49 11,510	2,925 12,178
Net income	53,556,856	2,444,056	2,138,328				1		46,253	279,929
Capital gains and losses		, , , , , ,	,	,	.,.,.	,	1.	'	'	
Net short-term capital gain (less loss)	303,622	1,287	1,194	260			601	62	15	9,389
Net long-term capital gain (less loss)	3,370,532	91,108	89,212	30,852	3,267	4,322	1,344	33,813	4,717	9,38

# Table 1. — Total Assets and Income Statement for Selected Industries — Continued

[All figures are estimates based on samples-money amounts are in thousands of dollars]

tor lightes are estimates based on samples		restry, and fishin			Mining		1			T	
		Continued	Ī	<del> </del>	winnig		<del> </del>	Construction		-	
ltem	Poultry and eggs	General livestock including animal specialty	Agri- cultural services, forestry and fishing	Total	Oil and gas extraction	Other mining	Total	General contractors	Special trade contractors	Manufacturing	
Portporching With and Without Not Income	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	
Partnerships With and Without Net Income Number of partnerships	4 400	7.000					'				
Number of partners	2,909	7,096 25,128	20,609 72,043	55,766 1,574,375	50,837 1,512,328	4,929 62,047	64,632 149,600	25,583 63,080	38,882	23,156	
Total receipts	468,118 247,791	1,108,463 451,920	3,273,356 2,604,220	45,550,344 19,798,121	38,047,761	7,502,583	11,611,718	9,652,986	86,185 1,957,084	76,649 13,003,045	
Business receipts		289,287	2,493,261	17,563,468	15,797,946 13,717,073	<b>4,000,175</b> 3,846,395	18,508,283 17,973,953	12,534,841	5,963,254	15,091,902	
Income from other partnerships and fiduciaries  Nonqualifying interest and dividends	295 609	924 14,606	1,537 30,058	428,576	414,277	14,299	64,594	12,047,456 63,014	5,916,369 1,580	14,771,551 12,126	
Rents received Royalties	2,296	4,014	4,355	347,187 53,940	320,719 41,987	26,468 11,953	246,991 61,783	219,267 58,165	27,724 3,618	89,191 15,465	
Farm net profit	472 15,699	745 46,738	1,947 27,812	460,958 4,382	442,961 4,382	17,997	1,075 2,235	1,064 593	10 1,643	45,339	
Net gain, noncapital assets	394 907	25,961 69,646	18,342 26,907	115,378 824,232	88,628 767,920	26,750	25,319	22,132	3,186	732 18,156	
Total deductions	272,967	597,379	2,706,220	28,627,944	23,525,361	56,312 <b>5,102,583</b>	132,333 <b>17,089,672</b>	123,149 11,777,342	9,124	139,341	
Cost of sales and operations	149,845	190,127	1,285,608	5,997,774	3,434,180	2,563,594	13,488,184	10,107,870	<b>5,303,763</b> 3,373,172	15,911,136 11,753,930	
Inventory, beginning of year Purchases	3,710 72,016	5,598 147,782	106,046 843,847	313,643 1,623,378	105,100 1,319,379	208,544 304,000	2,578,398 2,004,957	2,429,248 947,657	148,768	1,443,674	
Cost of labor	3,030 28,507	2,031 7,630	94,955 35,713	589,451 456,893	207,653	381,798	2,053,974	1,249,305	1,055,783 802,445	7,513,679 1,216,479	
Other costs Less: inventory, end of year	45,278	38,963	329,463	3,398,149	182,098 1,775,402	274,795 1,622,746	2,689,332 6,627,059	1,878,923 5,898,496	808,114 727,723	726,342 2,305,146	
Salaries and wages	2,695 5,747	11,877 17,409	124,417 195,984	383,740	155,451	228,289	2,465,537	2,295,759	169,661	1,451,390	
Less: jobs credit Guaranteed payments to partners	-	16	9	460,186	353,124	107,062	618,481 230	205,811 211	412,669 19	703,836 1,076	
Rent paid	2,662 615	7,014 2,773	62,002 33,090	243,849 257,242	186,093 176,801	57,756 80,441	296,117 79,567	77,603 37,682	218,513 41,477	119,124 167,168	
Interest paid Taxes paid	6,451	31,715 5,501	163,147 26,826	1,441,765 655,182	1,183,312 504,678	258,453 150,505	547,536	427,875	119,589	423,663	
Bad debts	80 1,941	547 3,431	3,655	38,952	19,906	19,046	147,119 12,517	71,848 5,896	75,245 6,619	166,364 40,432	
Depreciation1	1,54	3,431	84,236	129,872	68,682	61,190	108,618	35,188	73,425	98,011	
Depletion Pension, profit sharing, annuity, and bond	. –	3	2,633	381,429	235,081	146,348	2,096	1,760	336	39,007	
purchase plans Employee benefit plans	79 129	9 184	193 1,082	28,692 29,439	8,630 7,816	20,061 21,624	7,162	4,201	2,961	25,194	
Net loss from other partnerships and fiduciaries. Rent net loss		2,622 315	2,772	2,041,011	1,966,441	74,570	14,718 37,717	6,406 37,692	8,312 25	53,169 49,064	
Royalty net loss		5,887	3,042	15,916 118,333	15,670 117,960	246 373	27,332 1,162	26,696 1,162	636	2,894 19	
Farm net loss	33,902 28	199,847 1,479	112,715 2,082	10,923 34,832	10,730 32,758	193 2.073	7,937 8,491	6,003 1,115	. 1,935 7,376	2,349 16,365	
Other deductions	60,982	107,874	561,314	14,586,763	13,383,995	1,202,768	1,321,061	613,892	706,389	1,665,437	
Net Income (less deficit)	<b>- 25,176</b> 19,261	- 145,459	- 102,000	- 8,829,824	- 7,727,415	- 1,102,409	1,418,607	757,498	659,489	- 819,240	
Deficit	44,437	96,059 241,518	305,728 407,728	5,794,849 14,624,673	5,493,067 13,220,482	301,782 1,404,190	2,059,007 640,400	1,207,586 450,088	849,800 190,312	935,930 1,755,170	
Capital gains and losses	1									00,,,,	
Net short-term capital gain (less loss)	87 1,374	332 4,620	1,188 10,539	19,463 64,912	17,610 57,195	1,853 7,717	23,797 98,901	4,190 83,426	19,606 15,475	6,589 53,064	
Partnerships With Net Income					Ì		,	70,120	10,170	35,004	
lumber of partnerships	415	2,057	10,402	22,903	21,686	1,217	45,552	15,898	29,487	14,182	
tumber of partners	1,076 216,536	5,821 205,241	27,859 814,438	803,314 16,426,242	772,625 14,190,967	30,689 2,235,275	102,062 6,451,789	37,706 5,396,871	64,022 1,053,269	37,533	
Total receipts	162,001	265,608	1,722,418	14,575,617	12,170,084	2,405,533	14,805,009	9,790,031	5,004,791	3,746,885 9,832,143	
Business receipts	143,719	165,412 5	1,654,124 698	12,909,397 407,645	10,578,698 393,428	2,330,699 14,216	14,376,996 62,590	9,397,450 61,287	4,969,418 1,302	9,704,886	
Nonqualifying interest and dividends	345 1,907	8,000 468	13,598 1,393	140.790 37.308	127,245 34,654	13,545	197,206	176,006	21,200	5,245 43,717	
Royalties	472 15,363	57	268	410,952	408,042	2,655 2,910	38,633 144	36,493 139	2,140 5	8,736 4,151	
Net gain, noncapital assets	70	45,361 7,188	26,877 9,597	3,499 32,366	3,499 31,608	757	2,232 18,869	589 16,692	1,643 2,178	540 5,318	
Other receipts	125 142,740	39,116 <b>169,550</b>	15,862	633,659	592,909	40,751	108,340	101,374	6,906	59,550	
Cost of sales and operations	97,254	142,207	1,416,690 866,780	<b>8,780,767</b> 3,531,902	<b>6,677,016</b> 2,118,006	2,103,751 1,413,896	12,746,000 10,530,660	<b>8,582,444</b> 7,701,944	<b>4,154,990</b> 2.821,574	8,896,210	
Inventory, beginning of year	2,695	1,652	47,450	163,742	52,448	111,294	1,315,535	1,198,334	116,818	7,059,296 697,055	
Cost of labor	1,038	2,031	57,700	1,070,789 296,627	888,167 88,007	182,622 208,621	1,430,261 1,746,966	563,959 1,037,544	864,785 707,198	5,130,763 545,650	
Materials and supplies Other costs	23,269 13,473	7,630 30,575	13,257 172,812	195,672 1,954,809	39,042 1,098,976	156,630 855,832	2,049,023 5,417,257	1,329,907 4,920,694	716,821 495,724	424,602 1,056,211	
Less: inventory, end of year	1,475	1,351	61,474	149,736	48,634	101,102	1,428,382	1,348,494	79,771	794,985	
Salaries and wages Less: jobs credit	2,804	612	107,308 9	250,746	215,760	34,986	484,483 23	156,060	328,423 19	473,161	
Guaranteed payments to partners	1,333 14	2,523 184	28,136 18,491	69,347 75,425	62,932 50,819	6,415 24,607	142,089	31,704	110,384	1,051 81,788	
Interest paid Taxes paid	2,036	2,103	27,399	458,627	418,190	40,437	49,978 179,129	20,313 128,119	29,256 50,938	64,132 94,415	
Bad debts	593 80	1,005	14,867 3,106	457,065 4,973	371,756 3,900	85,309 1,073	105,592 7,273	45,726 2,798	59,840 4,473	123,086 14,012	
Repairs Depreciation!	715	948	44,651	51,745	36,756	14,990	82,728	18,517	64,206	62,829	
Depletion	-	2	62	244,451	116,423	128,028	2,007	1,671	336	2,750	
purchase plans	79	-	178	15,902	5,141	10,761	6,403	3,550	2,853	13,357	
Employee benefit plans	108	32	770 2,521	8,581 55,919	3,797 55,738	4,785 181	11,072 1,882	3,044 1,858	8,028 24	29,927 491	
Rent net loss		=	2,657	2,188	1,942	246	3.315	2,679	636	784	
Farm net loss Net loss, noncapital assets		5,715	2,882	7,866	7,673	193	1,162 2,374	1,162 2,214	160	19 1,918	
Other deductions	35,260	133 10,767	417 241,693	7,820 2,633,551	7,715 2,394,579	105 238,972	1,252 915,444	478 400,648	774 514,016	801 696,515	
et income	19,261	96,059	305,728	5,794,849	5,493,067	301,782	2,059,007	1,207,586	849,800	935,930	
apital gains and losses		_[								****	
Net short-term capital gain (less loss)	76 145	- 2	94 1,896	3,875 28,548	3,821 21,482	53 7,065	3,577 25,187	3,564 12,615	13 12,572	38 45,327	
										,	

## Table 1. — Total Assets and Income Statement for Selected Industries — Continued

[All figures are estimates based on samples-money amounts are in thousands of dollars]

		ion, communication and sanitary serv			·	Whole	esale and retail t	rade		
					1			Retail trade		
Item	Total	Transportation	Communi- cation, electric, gas and sanitary services	Total	Wholesale trade	Total	Building materials, hardware, garden supply and mobile home dealers	General merchan- dise stores	Food stores	Automotive dealers and service stations
	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)
Partnerships With and Without Net Income	40 405	44.000		200 504	27.457	174,326	9,772	3,475	20,776	21,0
umber of partnershipsumber of partners	18,185 92,611	43,804	6,216 48,807	202,531 485,413	27,157 66,398	416,915	24,682	8,377	45,470	51,
otal assetsotal receipts	17,662,405 6,780,132		11,627,264 2,383,767	19,203,909 70,068,547	7,208,146 30,426,783	11,855,098 39,469,694	1,158,437 2,287,529	338,514 796,166	1,253,766 7,417,816	1,908, 9,938,
Business receipts	6,533,859	4,261,013	2,272,846	69,238,092	30,089,334	38,985,117	2,242,526	778,172	7,363,411	9,838,
Income from other partnerships and fiduciaries Nonqualifying interest and dividends	6,409 74,035		3,056 39,726	11,758 330,916	8,202 200,153	3,556 126,222	285 15,149	7,157	273 6,725	2, 32,
Rents received	55,927 51	53,187	2,741 51	93,852 3,668	15,514 1,229	78,299 2,439	8,525 626	2,957	7,073 1,029	5,
Farm net profit	_	22 078	9,393	5,197 39,680	3,708 7,767	1,489 31,907	5 4,190	596	806 2,432	7.
Net gain, noncapital assets Other receipts	33,271 76,579	23,878 20,625	55,954	345,383	100,877	240,665	16,224	7,282	36,068	51,
otal deductions	7,553,764	4,179,624	3,374,140	68,496,935	30,149,990	38,179,624	2,209,786	794,236	7,247,228	9,749,
Cost of sales and operations	3,153,907 8,626		1,152,405 2,660	54,976,057 5,452,779	27,314,252 1,866,926	27,554,799 3,575,787	1,591,862 431,973	591,577 161,039	5,884,627 371,067	8,329, 755,
Purchases	1,428,211	936,175	492,036 58,109	50,251,551 854,314	24,450,485 225,996	25,709,642 620,428	1,525,075 17,756	521,737 4,046	5,698,795 46,432	7,938, 85,
Cost of labor	79,817	50,408	29,408	765,764	384,285	375,863	7,546	175	53,974	84,
Other costs	1,482,138 19,364		578,229 8,037	3,345,958 5,694,310	2,178,215 1,791,656	1,156,656 3,883,576	69,952 460,441	22,860 118,280	122,583 408,224	288, 823,
Salaries and wages	480,841	254,621	226,220	3,670,266	635,146	3,029,496	177,444	57,863	442,728	347
Less: jobs credit	15 75,694		11 26,849	3,253 720,708	188 163,138	3,065 556,362	141 62,488	13,262	626 48,321	95,
Rent paid	91,318 618,255		41,260 276,030	1,246,634 782,317	148,897 277,423	1,093,489 499,108	34,756 40,063	20,459 8,396	113,171 62,466	135, 91,
Taxes paid	132,751	55,807	76,944 19,169	793,038 98,311	121,133 41,210	670,622 56,817	36,569 7,461	11,915 1,702	86,743 3,629	93) 11
Bad debts	30,310 121,361	11,141 95,322	26,039	297,544	69,348	227,498	15,734	3,659	33,409	27,
Depreciation <sup>1</sup>	362	362		7,116	5,908	1,208	58	884	52	
Pension, profit sharing, annuity, and bond purchase plans	9,334	6,504	2,831	22,933	13,298	9,626	1,007	669	2,592	
Employee benefit plans	15,784	7,290	8,493	63,905	21,875	41,387	2,730	310	6,585 139	11, 11,
Net loss from other partnerships and fiduciaries .	46,758 100,619	11,241 	35,517 1,648	32,462	12,634 2,685	19,828 11,086	7,571 78		306	
Royalty net loss	1,580	1,580	=	7,739 9,529	51 3,847	7,688 4,477	1,404	700	911	
Net loss, noncapital assets	1,668 1,688,690	696	972 977,557	22,022 4,806,732	1,970 1,089,466	20,053 3,687,131	26 199,911	72,189	3,722 449,652	507.
Other deductions	- 773,634		- 990,374	1,571,562	276,781	1,290,032	77,742	1,931	170,586	189,
Net income	1,084,915	814,354	270,561	3,009,274	746,716	2,240,356	148,712	37,574	301,102	301,
Deficit	1,858,549	597,613	1,260,935	1,437,712	469,935	950,324	70,970	35,643	130,516	112,
Capital gains and losses  Net short-term capital gain (less loss)	3,668	l 50	3,618	5,248	3,575	1,673	10	_	. 844	
Net long-term capital gain (less loss)	39,247	3,252	35,995	210,860	81,651	129,208	36,279	481	2,025	47,
Partnerships With Net Income			!							
Number of partnerships	8,274	4,793	3,482	116,451	16,161	99,692	5,856	1,902	12,853	12,
Number of partners	22,332 2,983,485		10,011 1,349,614	277,903 12,931,895	39,532 5,149,778	237,172 7,719,641	14,392 776,807	4,734 271,191	27,247 817,455	31, 1,275,
Total receipts	4,514,099		1,404,421	55,019,342	25,012,075	29,942,457	1,754,828	674,371	5,892,638	<b>7,280,</b> 7,208,
Business receipts	4,397,390 6,151		1,354,369 3,038	9,029	24,719,184 7,195	29,574,739 1,834	1,725,106 285	659,851 2	5,849,018 53	
Nonqualitying interest and dividends	24,860 19,944	15,080	9,780 647	299,474 60,486	186,138 9,707	108,808 50,740	12,755 4,263	7,054 2,218	6,080 4,578	30, 4,
Royalties	51		51	3,562 5,151	1,189 3,676	2,374 1,474	626		998 806	
Farm net profit	27,679	18,841	8,838	21,127	2,698	18,422	481	43	2,109	2,
Other receipts	38,024	10,326	27,698 <b>1,133,860</b>	269,005 <b>52,010,059</b>	82,288 <b>24,265,356</b>		11,306 <b>1,606,115</b>	5,204 <b>636,79</b> 7	28,995 <b>5,591,536</b>	32, <b>6,978</b> ,
Cost of sales and operations	3,429,183 2,130,211		675,634	43,118,690	22,391,160	20,703,285	1,186,772	477,861	4,676,825	6,078
Inventory, beginning of year	1,807 1,343,154	383	1,425 477,020	3,946,556 40,071,025	1,446,670 20,652,416		298,030 1,141,890	104,618 467,938	283,276 4,519,331	492, 5,777,
Purchases	93,494	65,407	28.087	562,409	158,147	402,123	12,164	2,935	38,609	60,
Materials and supplies	59,804 643,640		20,781 154,277	419,624 2,137,992	178,430 1,267,715	869,053	4,826 59,193	160 8,164	33,308 96,640	72 198
Other costs	11,689	5,734	5,955	4,018,917	1,312,217		329,331	105,955	294,338	522
Salaries and wages	255,923	156,885	99,037	2,688,416 3,113	490,174 132	2,196,402 2,982	129,785 141	51,126	316,056 626	254
Guaranteed payments to partners	41,549 40,984		13,283 9,234	465,875 785,633	105,430 84,706	360,175 698,090	52,575 20,225	11,447 16,031	27,410 75,339	54 80
Rent paid	99,790	58,817	40,973	361,853 549,466	141,580 91,017		17,407 25,986	3,899 9,075	30,830 64,088	41 58
Taxes paid	51,298 7,436	1,498	19,793 5,938	57,977	20,174	37,706	4,101	1,093	2,277	8
Repairs	70,66	58,266	12,399	208,719	50,519	٠ .	11,644	3,262	22,905	20
Depletion	111	111	_	6,483	5,513	970	40	884	1	
Pension, profit sharing, annuity, and bond purchase plans	4,75		\$ 550	19,702	11,396		836 2,294	669 212	1,595 4,920	9.
Employee benefit plans	7,738 1,916	779	1,137	43,499 15,303	3,230	28,122 12,073	96	-	139	11
Rent net loss	633		453	2,235	1,046	1,188	51	_	. 120	
Farm net loss	103		116	2,575 4,138	290 523	2,286 3,615		700	587 2,597	
Net toss, noncapital assets	505 535,566		183,853	4,138 3,191,613		2,431,345	134,980		300,911	312
Net income	1,084,91	814,354	270,561	3,009,274	746,716	2,240,356	148,712	37,574	301,102	′301
Capital gains and losses					2.245	805		'	308	1
Net short-term capital gain (less loss)	37,095		35,213	4,053 132,115	3,248 35,473		36,161	439	1,649	29

Table 1. — Total Assets and Income Statement for Selected Industries — Continued

[All figures are estimates based on samples-money amounts are in thousands of dollars]

				and retail trade -				Finance,	insurance, and re	eal estate
			Reta	ail trade — Contin	ved				Fina	nce
Item	Automotive service station Motor vehicle	Gasoline service	Apparel and accessory stores	Furniture and home furnishings stores	Eating places	Drinking places	Liquor stores	Total	Total	Banking and credit agencies other
	dealers (31)	stations (32)	(33)	(34)	(35)	(26)	(07)	(00)		than banks
Partnerships With and Without Net Income	F	(02)	(33)	(34)	(33)	(36)	(37)	(38)	(39)	(40)
Number of partnerships	4,847	10,307	20,030	9,626	28,384	6,957	4,275	717,810	147,676	
Number of partners	15,355 625,355	22,549 661,718	45,164 942,880	20,076 834,421	81,527 2,343,698	15,667	9,210	5,727,193	1,983,132	1,59 18,61
Total receipts	2,780,041	5,774,532	2,029,248	1,706,523	6,760,796	207,853 522,546	428,543 1,287,036	645,766,823 85,655,741	248,459,880 48,514,699	999,87 489,26
Business receipts	2,732,123 45	5,736,208 826	1,993,620	1,654,634	6,688,412	512,076	1,272,628	53,354,961	35,152,656	254,24
Nonqualifying interest and dividends	18,682	8,163	11,767	143 19,401	10,009	904	2,457	1,314,654 13,147,897	901,681 9,444,540	8,72 179,30
Rents received	1,696	3,499 3	3,341 1	7,117 350	26,818 408	495	2,640	12,573,285 553,294	297,162 395,750	78
Farm net profit	1,160	373 3,294	1,150	_ 136	15 4,812	 49	 5.932	41,265 603,740	14,020	
Other receipts	26,335	22,166	19,369	24,742	30,243	9,024	3,379	4,066,645	130,985 2,177,905	36 45,85
Fotal deductions	2,732,967	5,643,918	1,953,742	1,561,842	6,547,322	510,609	1,241,044	96,788,398	48,912,792	454,14
Inventory, beginning of year	2,351,552 314,409	5,030,699 192,757	1,288,263 490,508	1,067,112 276,461	3,055,631 99,003	248,602 14,833	993,745 116,402	40,600,992 14,629,586	3,106,087 6,988,621	141,14 11,01
Purchases	2,180,851 44,882	4,831,589 30,927	1,241,380 16,727	1,043,639 29,878	2,505,378 325,636	229,163 15,577	999,777	26,846,386	23,812,900	104,24
Materials and supplies Other costs	22,916 142,240	43,594	24,158	10,483	52,284	2,724	2,419 2,212	473,767 915,904	173,526 211,736	_
Less: inventory, end of year	353,746	125,675 193,843	64,367 548,876	24,439 317,788	185,345 112,016	636 14,332	1,306 128,371	9,334,684 11,599,336	3,673,311 3,800,007	36,38 10,49
Salaries and wages Less: jobs credit	98,219 737	155,767	159,833	116,458	1,180,092	58,795	63,750	2,520,455	1,293,002	55,07
Guaranteed payments to partners	16,277	38,836	45,436	40 36,043	1,256 71,705	9,432	12,856	746 1,404,416	434 581,286	6.72
Rent paidInterest paid	23,905 45,160	72,524 24,255	110,997 28,439	40,405 24,129	390,338 113,326	39,743 7,639	21,607 20,703	525,174 13,935,516	165,341 6,374,207	9,66
Taxes paid	17,482 4,081	59,250 5,056	40,211 2,557	28,717 9,016	231,841	20,586	20,165	1,388,955	237,480	88,07 2,23
Repairs Depreciation¹	7,882	13,060	7,326	6,920	5,740 84,355	432 8,579	1,276 7,802	176,802 415,413	64,035 45,777	11,20 78
Depletion	_	-1	_]	_1	_]	_1		10,391	2,671	4
Pension, profit sharing, annuity, and bond purchase plans	259	281	844	660	791		73		l	
Employee benefit plans	3,388 11,097	5,637	985	991	12,211	11	1,250	71,355 71,261	53,681 36,276	81 3,10
Rent net loss	134	266	41 6,241	42 552	442 753	1,158	217	5,818,550 13,457,229	2,880,066 449,832	3,74
Royalty net loss		458	_	 43	950		=	61,398 84,453	2,986 32,903	25
Net loss, noncapital assetsOther deductions	141,302	37 195,963	16 234,826	33 205,464	1,632 - 1,188.321	_1	20	269,186	167,300	15
let income (less deficit)	47,073	130,614	75,503	144,679	213,474	96,984 11, <b>937</b>	71,517 <b>45,992</b>	11,901,915 - 11,132,658	4,546,440	125,63
Net income	70,351	166,336	163,765	166,385	443,864	33.331	61,039	19,389,655	- <b>398,092</b> 7,032,513	<b>35,11</b> : 83,11:
Deficit	23,277	35,723	88,262	21,705	230,391	21,394	15,047	30,522,313	7,430,605	48,00
Net short-term capital gain (less loss)	25	27	20	80						
Net long-term capital gain (less loss)	69	47,045	- 6,809	22,408	14,298	4,477	5,065	1,305,537 6,070,685	1,095,832 3,874,429	11,07. 1,63
Partnerships With Net Income		l	İ		1					
lumber of partnerships	2,512	6,427	9,680	6,811	17,007	4,068	2,746	329,042	80,728	98:
lumber of partnersotal assets	10,546 441,705	13,507 450,921	21,786 608,605	14,237 633,734	47,699 1,381,575	9,071 95,556	5,913 215,570	2,737,557 243,758,483	1,268,509 106,815,863	17,31
otal receipts	2,055,739	4,276,221	1,557,067	1,354,259	4,817,610	324,021	939,039	48,898,648	24,643,632	691,21 407,50
Income from other partnerships and fiduciaries	2,014,884 45	4,254,363 825	1,522,278	1,312,887 143	4,777,068 —	315,802	926,553	24,556,261 1,208,307	14,708,754 839,662	211,326 8,720
Nonqualifying interest and dividends	18,320 1,454	6,449 3,155	11,010 3,340	14,268 4,063	6,755 13,287	859 495	2,427 978	9,452,737	6,873,361	148,40
Royalties	=	373	1	350	383	-	3/3	10,262,026 443,867	176,682 290,564	4:
Net gain, noncapital assets	1,127	1,001	1,147	109	2,935	49	5,819	33,937 388,453	8,570 73,534	36
Other receipts	19,908 <b>1,985,388</b>	10,054 4,109,885	19,291 <b>1,393,300</b>	22,438 1,187,872	17,183	6,817	3,262	2,553,060	1,672,504	38,64
Cost of sales and operations	1,716,782	3,720,397	957,877	833,002	4,373,745 2,129,526	<b>290,691</b> 161,992	<b>878,000</b> 711,943	<b>29,508,993</b> 16,387,038	17,611,118 12,181,628	324,38
Inventory, beginning of year Purchases	134,597 1,605,176	146,144 3,555,685	319,682 939,613	214,619 797,890	72,084	9,384	92,285	4,708,835	2,194,637	135,860 11,016
Cost of labor	38,298 19,755	17,523	4,372	27,431	1,756,983 175,258	151,236 9,492	703,050 1,298	8,363,112 124,507	7,182,970 68,171	104,24
Other costs	84,814	42,962 94,808	2,210 53,331	6,637 12,405	45,319 160,581	892 636	1,658 - 132	304,633 5,368,403	72,066 3,104,160	31,10
Less: inventory, end of year	215,857	136,726	361,332	225,980	80,699	9,648	86,215	2,482,451	440,376	10,49
Less: jobs credit	73,950 737	111,153 77	125,634	89,155 40	815,691 1,192	31,094	50,109	1,451,948	772,696	46,75
Rent paid	12,294 17,898	21,525 45,115	23,836 69,116	28,478 24,791	45,191 255,643	2,980 19,214	9,480	573,488	274,895	3,402
Interest paid	20,868 11,539	12,002 35,865	10,399	13,269	48,581	2,352	14,907 9,870	221,769 4,412,025	71,938 2,761,878	8,580 76,009
Bad debts	2,559	4,351	28,256 2,014	23,690 6,556	153,540 1,275	11,900 362	12,930 922	594,867 39,901	101,907 8,229	1,710 3,902
Repairs Depreciation'	6,871	9,464	5,994	4,631	56,436	2,847	4,453	164,572	12,399	71
Depletion	-	-	-	-	-	-	-	1,648	356	47
purchase plans	259 2,453	253 4,422	774	623 366	773	_	73	58,941	43,667	786
Net loss from other partnerships and fiduciaries	11,083	4,422	928 41	39	4,578 235	11	1,232	38,792 154,525	18,883 60,718	2,931 256
Rent net loss	_	_1		76 —	248	135	217	243,025	25,871	236
Net loss, noncapital assets	_	458 36	_ 15	43	492 354	=	=	8,125	3,008	_
Other deductions	102,689	119,582	152,299	142,978	745,710	49,965	50,570	14,953 4,141,139	2,506 1,177,962	117 40,277
et income	70,351	166,336	163,765	166,385	443,864	3,331	61,039	19,389,655	7,032,513	83,116
apital gains and losses  Net short-term capital gain (less loss)	25	27	28	80		1				
Net long-term capital gain (less loss)	69	29,116	- 6,809	22,408	6 979	4,477	4,348	433,218 2,857,380	395,906 1,694,393	7,970

Table 1. — Total Assets and Income Statement for Selected Industries — Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars]

	Finance, insurance, and real estate — Continued							Services			
	Finance —	Continued	Insurance		Real	estate	<del></del>		Hotels		
item ·	Security and commodity brokers and services	Holding and investment companies	agents, brokers, and services	Total	Operators and tessors of buildings	Lessors, other than buildings	Real estate agents, brokers, and managers	Total	and other lodging places	Personal services	
· · ·	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)	(49)	(50)	
Partnerships With and Without Net Income									į		
umber of partnerships	4,854	141,232	7,560	562,575	470,331	29,651	17,641	287,529	18,152	29,2	
umber of partners	91,223	1,873,291	23,255	3,720,805	3,133,115		122,905	1,171,642	117,973 22,293,321	67,4 934,4	
otal assetsotal receipts	127,245,583 34,364,095	120,214,420 13,661,340	3,457,077 3,342,832	393,849,866 33,798,209	329,815,045 21,143,219	9,993,948 752,388	7,652,309 2,003,805	66,208,999 72,222,308	9,482,069	1,902,0	
	29,646,553	5,251,859	2,646,319	15,555,987	5,280,074	131,911	1,675,110	66,413,627	8,510,334	1,882,5	
Business receipts	130,847	762,114	993	411,980	305,119	21,611	28,782	102,693	11,729		
Nonqualifying interest and dividends	3,496,586	5,768,652	126,747	3,576,610	2,712,994	90,470	126,856	667,834	166,385	11,8	
Rents received	4,784 6,005	291,597 389,745	6,822 119	12,269,301 157,425	11,592,364 139,256	427,669 17,095	75,154 111	1,647,983 76,783	518,299 222	2,	
Farm net profit	2,114	11,906	_	27,245	5,715	20,068	226	8,348	_		
Net gain, noncapital assets	14,310	116,315	3,295	469,460	355,259 752,438	8,970 34,594	3,184 94,382	181,717 3,123,323	21,753 253,347	5,0	
Other receipts	1,062,897	1,069,152	558,539	1,330,201		1			10,514,030	1,660,	
otal deductions		13,557,496	1 ' 1	44,915,506	29,640,088	798,273	2,400,934	60,333,640			
Cost of sales and operations	27,669,155 6,385,105	3,249,788 592,501	497,094 21,345	9,043,811 7,619,620	1,988,361 914,501	36,195 33,717	710,424 613,356	11,368,067 554,130	2,092,728 90,347	404,9 26,3	
Inventory, beginning of year Purchases	23,445,278	263,381	60,900	2,972,587	811,491	19.922	217,795	4,217,009	864,935	188,8	
Cost of labor	68,812	104,713	9,906	290,336	41,699	4,307	55,598	1,626,675	467,463	83,3	
Materials and supplies	1,596 986,703	210,140 2,650,222	234 427,267	703,934 5,234,107	137,347 1,162,424	212 16,671	34,742 316,997	709,127 4,867,940	106,774 660,317	58. 73.	
Other costsLess: inventory, end of year	3,218,340	571,169		7,776,772	1,079,101	38,634		606,814	97,107	25,0	
Salaries and wages	776,353	461,571	378,011	849,442	515,454	22,315	132,362	14,343,517	1,431,304	283,	
Less: jobs credit	20	414	11	302	182	-	7	9,962	1,912	5,	
Guaranteed payments to partners	315,166 73,251	259,392 82,429	84,687 60,764	738,444 299,068	475,780 172,047	10,731 8,670	80,700 51,829		137,715 243,678	115, 120,	
Rent paid	3,427,116	2,859,013	74,510	7,486,799	4,689,092	114,108	362,358	3,322,354	1,566,259	33,	
Taxes paid	57,926	177,323	43,086	1,108,389	839,500	24,580	52,563	1,921,588	469,254	47,	
Bad debts	2,857 4,478	49,969 40,517	17,038 14,463	95,728 355,173	45,937 296,177	8,015 4,828	5,917 24,161	145,540 629,496	26,990 255,227	4,! 31,!	
Repairs Depreciation <sup>1</sup>	1 4,479	40,517	14,400	000,170	•	·	2-1,	•	•		
Depletion	. 5	2,619	_	7,720	1,032	770	-	22,330	336		
Pension, profit sharing, annuity, and bond purchase plans	23,440	29,427	10,898	6,776	2,023	2,617	1,386	247.064	4,262	1,3	
Employee benefit plans	23,452	9,717	12,816	22,169	10,136	1,073	1,452	350,763	45,658	8,	
Net loss from other partnerships and fiduciaries	320,886	2,555,435	8,051	2,930,433	2,166,102		245,918		113,437 213,834	9,	
Rent net loss	1,081	448,750 2,733	7,619	12,999,778 58,412	12,197,498 58,404	261,576	134,168	1,108,616 2,508	1,374	9,	
Farm net loss	574	32,328	647	50,903	26,326	21,264	189	37,438	525		
Net loss, noncapital assets	148,072	19,074		101,791	92,559		712	45,158	6,893	500	
Other deductions		2,399,812		5,634,196	3,290,177	84,901	494,169	16,615,525	2,801,478	500,	
let-Income-(less-deficit)		103,844	382,732	11,117,297	8,496,869	1	397,130			241,	
Net income		5,748,690	472,450 89,719	11,884,691 23,001,989	9,968,600 18,465,468		242,267 639,396	18,638,775 6,750,101	807,435 1,839,397	. 326, 84,	
Deficit	1,737,758	5,644,846	69,719	23,001,969	10,400,400	320,334	055,550	0,730,101	1,000,007	04,	
Capital gains and losses				240 770	400.00	704		400 604	1 200	3,4	
Net short-term capital gain (less loss)	376,524 371,746	708,237 3,501,045	- 4,071 - 6,291	213,776 2,202,547	188,264 1,356,901	794 443,772	3,295 56,773		1,389 83,464	3.	
That long term capital gain (1000 1000)		-,,-	_,	-,	'''	· ·					
Partnerships With Net Income								•			
Number of partnerships	1,300	78,439		242,156	203,757		8,141	180,153	8,060	20,	
lumber of partners	68,618 45,848,239	1,182,579 60,276,410		1,449,894 134,661,544	1,220,504 117,526,940	111,219 4,001,088	35,583 2,750,239	665,039 26,295,610	49,582 5,863,567	47, 609.	
otal assetsotal receipts	13,083,823	11,152,306	2,571,449	21,683,567	14,791,926	617,472	961,183		4,589,576	1,615,	
Business receipts	10,580,469	3.916.959	2,285,143	7,562,364	2,235,067	86,578	765,218	54,355,148	3,863,188	1,600,	
Income from other partnerships and fiduciaries	119,376	711,565	993	367,652	274,289	21,488	19,333	93,489	9,442		
Nonqualifying interest and dividends	1,482,724 3,452	5,242,234 173,182		2,475,339 10,079,258	1,935,790 9,564,244		85,253 49,573		103,748 425,978	10, 1,	
Rents received		285,010	0,000	153,299	137,251	15,088	84	75,703	120,570	1.	
Farm net profit	_	8,570	· -	25,367	4,950	20,039	226				
Net gain, noncapital assets Other receipts	14,309 877,938	58,866 755,921		311,707 708,582	254,956 385,381		777 40,718		20,250 166,969	2.	
	1	5,403,616		9,798,876	i	I .	718,916		3,782,140	1,289,	
Total deductions			1 ' ' 1		776.058	I .	197,192	1	724,777	334.	
Cost of sales and operations	9,387,081 1,896,323	2,658,684 287,298					164,803			21,	
Inventory, beginning of year	. 6,920,784	157,945	58,065	1,122,076	284,161	14,534	141,922	2,756,228	379,368	169,	
Cost of labor		24,360 70,470	1,162 82	55,174 232,484	3,749 25,966		13,036 18,647		148,706 49,497	75, 46,	
Materials and supplies Other costs	. 1,596 808,099	2,264,957							144,690	42	
Less: inventory, end of year		146,347			168,766		150,209	354,757	34,867	21,	
Salaries and wages	477,203	248,741	316,132	363,120	229,246	15,140	70,547		651,078	233	
Less: jobs credit	. 9	6	11	4	400.50	3,745	42,477	8,213	758 33,397	5,	
Rent paid		79,785 21,860			109,564 63,081				133,053	70 88	
Interest paid	1,109,138	1,576,732	26,569	1,623,578	1,120,707	22,658	63,998	1,096,301	352,369	17	
Taxes paid	. 38,596	61,602			366,727		29,078 322		211,147	34 4	
Bad debts	. 1,162 2,598	3,165 9,090		17,421 138,244	14,939 117,248			98,792 391,340	16,315 118,292	23	
Depreciation'	•	•	1 1	•	١ .	ነ •	'l '	•	·	3.	
Depletion		309	1 -	1,292	691	423	1 –	22,008	310		
Pension, profit sharing, annuity, and bond purchase plans	16,570	26,311	10,393	4,881	1,125				2,107	1,	
Employee benefit plans	. 14,873	1,079	11,773	8,137	5,125	1,030	978	267,096	14,258	2	
Net loss from other partnerships and fiduciaries	20,035	40,426		87,569 217,154	78,219 175,327				258 2,426	2	
Rent net loss	:1 =1	25,870 —	1 =	29	29	al —	. –	1	2,420		
Farm net loss	.  -	3,008		5,117	4,512		189		<u> </u>		
Net loss, noncapital assets	103	2,286		12,354 1,623,749	11,891 960,687		240,835	11,185 11,471,285	454 1,216,117	414,	
Other deductions	569,757 1,200,707	567,927	1		1			1 ' '	1 1		
		5,748,690	472,450	11,884,691	9,968,600	480,509	242,267	18,638,775	807,435	326,	
let income	1,200,707		,		1			1	'		
let income	63,988						1,557	- 142,551	595		

Footnotes at end of table.

Table 1. — Total Assets and Income Statement for Selected Industries — Continued

[All figures are estimates based on samples-money amounts are in thousands of dollars]

		Т		Amusement	Services				Accounting	auditing and
ltem	Business	Automobile repair	Miscel- laneous	and recreation	Medical and h	ealth services	l and	Engineering and	bookkeepir	auditing, and ng services
	services	and services	repair services	services, including motion pictures	Total	Offices of physicians	Legal services	archi- tectural services	Total	Certified public accountants
Parkage bing Wish and Wishaus Nos Income	(51)	(52)	(53)	(54)	(55)	(56)	(57)	(58)	(59)	(60)
Partnerships With and Without Net Income	61 100	21 513	10.000	24 524		40.000	20.475			
Number of partnerships	61,108 355,814	21,517 48,782	10,808 24,605	24,681 121,940	27,287 106,411	10,668 44,505	26,472 114,491	7,865 21,426	13,550 44,858	8,75 34,70
Total assets	18,837,015 6,937,228	1,414,955 2,611,955	243,489	6,859,858	3,972,061	922,991	3,901,344	838,015	1,686,921	1,547,68
Business receipts	5,186,795	2,515,214	<b>987,463</b> 976,790	<b>5,980,206</b> 5,260,824	12,029,318 10,892,488	<b>5,909,190</b> 5,063,307	17,380,072 16,922,654	<b>4,028,373</b> 3,885,379	<b>7,597,479</b> 7,457,855	7,081,59 6,948,02
Income from other partnerships and fiduciaries	11,569	_		17,193	5,265	1,242	6,966	42,283	5,297	3,546
Nonqualifying interest and dividends	156,407 848,556	4,775 37,440	1,758 5,260	64,497 62,643	40,748 46,396	20,132 18,296	58,820 20,295	20,140 382	38,764 17,253	35,729 16,919
Royalties	2,535 878	431		39,659		-	11,784	6,287	27	2
Net gain, noncapital assets	100,544	7,915	1,338	927 15,679	12,253	11,239	4,986	473	909	85.
Other receipts	629,944	46,180	2,317	518,785	1,032,168	794,975	354,563	73,430	77,374	76,49
Cost of sales and operations	<b>7,511,710</b> 1,273,595	2,358,150 1,227,554	<b>840,488</b> 556,518	<b>6,684,924</b> 2,262,603	<b>8,182,114</b> 937,043	3,226,285	10,031,274	3,502,245	5,798,101	5,407,70
Inventory, beginning of year	32,628	64,066	76,882	82,096	23,294	91,583 1,039	151,825 1,907	1,027,925 7,379	127,607 3,441	117,05
Purchases	457,241 123,571	931,524 97,365	399,567 68,110	250,275 111,929	113,744 331,611	8,297 16,349	17,818 27,465	58,689 177,659	43,375	38,184
Materials and supplies	96,020	95,688	44,073	30,268	125,999	11,250	3,154	98,449	2,237	364
Other costs	601,177 37,042	135,178 96,266	45,806 77,920	1,853,755 65,720	361,439 19,043	55,108 460	103,811) 2,330	693,460 7,713	81,000 2,446	78,50
Salaries and wages	655,260	229,066	46,495	776,932	2,424,992	975,343	4,398,919	1,057,170	2,711,297	2,568,82
Less: jobs credit	61 156,236	91,171	235 21,272	77 105,899	721 336,589	12 242,688	120 434,297	108,942	1,477 587,580	1,468
Rent paid	374,661	110,166	22,872	147,729	519,729	271,089	1,070,708	141,351	383,876	545,814 352,96
Interest paid	680,119 103,720	89,849 46,826	11,570 15,606	336,115 122,996	200,407 275,487	27,094 82,353	153,750 444,720	38,024 97,048	76,922 237,605	67,384 222,170
Bad debts	38,154 73,904	6,243	738	13,597	14,555	5,162	14,847	3,298	13,119	13,070
Repairs Depreciation <sup>1</sup>	•	23,320	5,216 *	56,816	60,410	22,036	60,888	8,509	24,476	22,068
Depletion Pension, profit sharing, annuity, and bond	11,204		-	209	428	207	212	-	9,888	9,888
purchase plans	10,218	202	92	11,694	53,409	37,559	93,684	40,892	27,009	25,974
Employee benefit plans  Net loss from other partnerships and fiduciaries.	12,412 180,296	1,954 664	157	17,524 103,639	108,246 959	68,190 68	88,924 23,544	20,084 3,450	42,204 3,620	39,797 3,620
Rent net loss	824,298 1,133	6,035	-	4,176	4,606	1,162	4,144	1,112	1,283	1,283
Farm net loss	4,841	58	=	13,427	={	=	3	={	={	
Net loss, noncapital assets Other deductions	8,363 1,881,290	4,453 364,549	131,034	14,734 2,059,617	236 2,991,898	70( 1,341,222	1,221 2,754,097	28 902,337	1,289 1,406,563	1,289 1,290,200
Net Income (less deficit)	- 574,483	253,817	146,973	- 704,718	3,847,203	2,682,904	7,348,798	526,128	1,799,378	1,673,888
Net income	1,823,436	386,389	163,721	645,143	4,135,897	2,693,869	7,385,560	588,477	1,830,026	1,694,056
Deficit	2,397,919	132,572	16,748	1,349,861	288,694	10,964	36,762	62,350	30,648	20,168
Capital gains and losses										
Net short-term capital gain (less loss)	- 165,254 23,156	361 100	=1	145 12,818	3,687 16,825	4 296	1,978 16,849	26 1,184	111 5,538	69 5,431
Partnerships With Net Income		i		1					·	
Number of partnerships	31,560	13,883	8,264	7,887	22,877	9,750	23,978	5,073	11,279	7,420
Number of partners	162,145	29,555	16,657	34,603	82,427	39,394	106,169	14,245	39,955	31,703
Total assets	5,823,077 5,180,029	772,389 1,985,791	168,664 867,479	2,160,214 3,638,821	2,630,799 10,790,568	833,297 5,659,157	3,707,039 17,045,725	584,657 3,677,415	1,514,013 7,368,729	1,395,268 6,877,432
Business receipts	3,787,417	1,897,426	859,188	3,190,997	9,690,575	4,814,089	16,595,176	3,544,968	7,246,597	6,761,108
Income from other partnerships and fiduciaries  Nonqualifying interest and dividends	10,430 109,517	4,349	438	15,647 29,867	1,374 35,592	1,242 19,441	6,966 58,003	42,283 18,619	5,297 37,857	3,546 34,822
Rents received	634,065	34,569	5,258	42,465	44,211	18,296	20,153	382	1,075	740
Royalties	2,494 360	431	=	38,931 927	=	=1	11,697 4	6,287	27	27
Net gain, noncapital assets Other receipts	80,523 555,223	6,154 42,863	1,338 1,257	3,679 316,309	12,050 1,006,766	11,235 794,854	4,986 348,741	181 64,696	898 76,979	841 76,347
Total deductions	3,356,593	1,599,416	703,755	2,993,678	6,654,670	2,965,288	9,660,165	3,088,938	5,538,703	5,183,376
Cost of sales and operations	862,653	918,359	481,872	1,229,823	685,628	91,583	149,372	801.834	121,580	111,024
Inventory, beginning of year Purchases	20,152 346,417	38,867 641,254	60,810 357,769	38,065 170,683	6,360 83,702	1,039 8,297	1,907 17,818	2,326 31,904	3,441	-
Cost of labor	78,204	76,558	55,621	51,710	206,454	16,349	27,465	173,645	37,348	32,157
Materials and supplies Other costs	58,235 382,537	90,374 129,444	39,331 30,401	18,316 991,933	113,543 282,600	11,250 55,108	2,464 102,048	93,400 503,975	2,237 81,000	364 78,503
Less: inventory, end of year	22,893	58,138	62,060	40,884	7,031	460	2,330	3,415	2,446	
Salaries and wages	555,815 61	172,299	41,069	374,941 69	2,061,616 369	943,488	4,295,210	1,013,828	2,644,090	2,509,130
Less: jobs credit	85,043	2,521	6,267	76,510	246,897	170,182	120 355,447	85,854	1,477 526,882	1,466 491,941
Rent paid	104,803 170,447	78,037 41,529	19,498 7,161	83,175 73,532	454,766 131,235	262,188 24,060	1,041,609 144,013	133,013 24,053	366,049 68,246	339,160 60,376
Taxes paid	78,530	33,482	13,428	60,216	225,581	78,842	434,731	93,182	231,678	216,906
Repairs	26,795 40,018	2,811 17,815	654 4,871	1,639 31,993	10,831 49,292	5,162 19,970	14,686 58,717	3,004 8,294	13,084 23,054	13,070 20,890
Depreciation <sup>1</sup> Depletion	11,204	1	•		428	207	178		•	,
Pension, profit sharing, annuity, and bond	1	_	-1		1	ŀ	ı	-1	9,888	9,888
purchase plans Employee benefit plans	10,041 11,132	142 822	92 157	5,496 7,079	49,494 80,650	35,006 53,116	93,540 88,037	40,795 19,405	26,719 39,830	25,683 37,621
Net loss from other partnerships and fiduciaries.	22,516	664		10,240	699	68	10,740	641	2,758	2,758
Rent net loss	6,756 1	155	=1	134	454	450	4,021	309	630	630
Farm net loss	1,232 1,349	58 3,961	_	1,458	 227	70	3 1,221		1,253	1,253
Other deductions	946,318	241,388	109,114	860,158	2,472,061	1,229,009	2,643,873	819,216	1,326,740	1,221,652
let income	1,823,436	386,389	163,721	645,143	4,135,897	2,693,869	7,385,560	588,477	1,830,026	1,694,056
Capital gains and losses	]	361	]	_ [	]	ì	, ]	_ [ ]	]	
Net short-term capital gain (less loss)	- 166,361			21	3,617	al.	1,973	25	111	

The deduction for depreciation is not shown separately because the amounts reported on the partnership return, Form 1065, are understated. The understatement results from the reporting characteristics of partnerships in farming and real estate. A more accurate estimate of the depreciation deduction, obtained from the Form 4562, the form on which depreciation is computed, is almost \$32.4 billion for all industries. Of this total, \$2.0 billion is reported for farms and \$16.2 billion for real estate.

NOTE: Detail may not add to totals because of rounding.